

Executive Registry

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Central Intelligence Agency
Washington, D.C. 20505

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1 August 1984

Executive Director

NOTE FOR: Gary Schmitt
Executive Director, PFIAB

FROM: Executive Assistant/Executive
Director

SUBJECT: Transmittal of Papers on
Retrospective Analysis and
Review

FYI: If my memory serves,
Randy was also looking into this
subject on behalf of Leo Cherne.



Attachment

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1 August 1984

MEMORANDUM FOR: Sy Weiss
President's Foreign Intelligence
Advisory Board

Sy —
SUBJECT : Your Request

1. This is in response to the PFIAB Staff request on your behalf for material on retrospective analysis, outside reviews, and alternative scenarios. While I cite below our efforts across the board on retrospectives, in the other two categories I have limited the information to SOVA and the Soviet-associated areas of the NIC.

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2. First, I forward materials associated with retrospective analysis over the past two years.

- At Tab 1 is a package of retrospectives done by the DCI's Senior Review Panel at the Director's and my request on a number of past estimates with a view to identifying those that went wrong and those that were on or close to the mark (and the reasons behind success or failure). I ask that you hold this package closely.
- Second, some weeks ago I asked the Senior Review Panel to do post-mortems on a number of estimates from the first half of 1983 and first half of 1982. A list of those being examined is at Tab 2. It is my intention that this become a regular part of the Panel's work with such retrospectives carried out routinely and looking back at estimates, as appropriate, one year and two years old. As the occasion arises, we will look back at older estimates.
- Third, our Soviet office has carried out on its own retrospectives that are listed in the memo to me from Doug MacEachin (at Tab 3), as well as another now underway on Soviet strategic developments.
- Fourth, in addition to internal retrospectives, we have undertaken several major efforts to examine our past

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analysis in key areas through the use of outside experts and panels. The most extensive of these was the Selin Panel/DCI Military Economic Advisory Panel examination of our work on Soviet defense expenditures. A copy of that report was sent to PFIAB but I attach another (at Tab 4). It represents a major review of the views of the many critics of CIA's effort in this area. (I would be happy to talk to you sometime about some subsequent developments on this subject.)

- Fifth, a number of retrospective assessments of our analysis have been undertaken by outside groups, not the least of which is PFIAB. But there have also been reviews of selected aspects of our work by both HPSCI and the SSCI as well as the PFIAB-sponsored review of our work on the Soviet economy under Lionel Olmer's auspices. We have ended up investing substantial resources in all of these efforts and I believe all would agree we have cooperated fully.
- Finally, some of the most detailed retrospectives are evaluations of analysis now being carried out by the Product Evaluation Staff I established in 1982. These studies are both substantive and bureaucratic retrospectives and offer recommendations for remedy. These studies are treated much as Inspector General reports and have not been allowed outside CIA. I would be prepared, however, to offer you access to these out here if you are interested. Some seven or eight have been completed including one on our handling of the Soviet export gas pipeline and one on current intelligence which addresses several Soviet issues. Another, on INF, is underway. [redacted]

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3. The second slice of information you requested was on our use of outsiders consulted on some recent SOVA products. Some examples of these are listed in MacEachin's memo (Tab 3). I also attach a note from [redacted] (Tab 5) on outsiders that have been asked to review estimates. I would observe that this initiative has proceeded unintentionally in two stages. I think I have finally persuaded people of the efficacy of having outsiders review drafts; the second stage is now to have them embrace the notion of looking for critics whom they can expect to disagree with them to get a genuinely different perspective. In any event, we have made a start and are pressing ahead. About a third of the Directorate's papers last year were reviewed in draft by an outsider. [redacted]

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4. Finally, the third category of information you asked for concerned alternative judgments. I also think we are making progress in this area both in the Directorate and in national estimates. MacEachin's memo lists SOVA products where alternative hypotheses or scenarios have been incorporated as part of the main text and there is a list of NIEs at Tab 5 citing

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those where we went beyond the usual presentation of agency dissents and included alternative scenarios or hypotheses. [REDACTED]

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5. As I noted above, in the last two categories of interest to you, I have asked only SOVA and the NIC to provide examples. Many others could be cited from OSWR, the Foreign Intelligence Capabilities Group, STIC, WSSIC and so on. [REDACTED]

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6. I hope the above demonstrates we are making progress in all three of these areas. We still have ground to cover, but the culture is steadily becoming more receptive to each of these very useful analytical/estimative tools (retrospectives, outside critiques, and alternative scenarios). You can rest assured the Director, John McMahon and I are keeping the pressure on. [REDACTED]

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[REDACTED]
Robert M. Gates
Deputy Director for Intelligence

Attachments:

Tab 1 - SRP Report on a Study of Intelligence Judgments
Preceding Significant Historical Failures: The
Hazards of Single-Outcome Forecasting (NIC 9079-83/1)

Tab 2 - List of Estimates being Examined by SRP

Tab 3 - Douglas MacEachin Memo (24 June 1984)

Tab 4 - Selin Panel Report (July 20, 1984)

Tab 5 - [REDACTED] Memo (SP 176-84)

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